

these homestead exemptions into compliance with the tax changes that we made last year in our individual Nebraska income tax. So it is something that should be done. Now the committee amendments to the bill, we will talk about the bill later, but the committee amendments were given because we had no testimony at the committee hearing to, in essence, raise the criteria the amount of money that a person could earn and still qualify for these exemptions. Under the new Nebraska tax we have a cut-off where they have to file an income because of the new federal regulation, and our Nebraska regulation followed that, that if you don't file a federal income tax you are not liable for Nebraska income tax. That threshold was labeled at \$10,000. Well we had, previous to that federal regulation, a homestead exemption program that started at 8,400. So it is necessary to raise that exemption level to 10,400 and not even think about that 8,400, to begin at the \$10,000 amount. Now the Revenue Department brought me this bill and they had then raised the exemptions, the allowable incomes up to the 12,000. They just moved them all up \$2,000. I did not think that was necessary, the committee did not think that was necessary either because there was no testimony that said that we ought to raise the amount that a person could earn and still qualify for a certain exemption on his property tax. So the committee amendments are an attempt to not go any further than what is necessary in our homestead exemption, but not do any less than what was necessary in our exemption. Anybody that received a homestead exemption previous to this legislation will receive it after this legislation.

PRESIDENT: Thank you. Senator Labedz, please, then Senator Warner. But may I introduce some guests please, Senator Labedz. Senator Moore has some guests in the east balcony or the rear balcony. We have 9 eighth grade students and teachers from the Emmanuel Lutheran School in York. Would you folks please stand and be recognized by the Legislature. Thank you for visiting us today. Senator Labedz, please.

SENATOR LABEDZ: Thank you, Mr. President. I am thoroughly confused on the committee amendments, especially on the cost. I understand Senator Hefner or Senator Warner is going to straighten that part of it out because the 280,000 doesn't sound even anywhere near reasonable for the cost. I am very much confused, also, on whether or not I should support the committee amendments. I prefer, of course, to have the original bill as introduced by Senator Miller, which has the sliding scale. Many